

ORIGINAL

OPEN MEETING AGENDA ITEM



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July 28, 2008

Arizona Corporation Commission
Utilities Division
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission

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DOCKET CONTROL

Attention: Docket Control

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GARRETT RESPONSE TO TONTO VILLAGE WATER COMPANY OPPOSITION

To Garrett Motion to Intervene filed June 30, 2008 in the following cases before the Arizona Corporation commission:

Rate Application for Tonto Village Water Co., Inc.
Docket No. W-01580A-04-0672

Jake Garrett hereby files the following response to the Tonto Village Water Company, hereinafter referred to as "Company", opposition to his Motion to Intervene in the above listed cases before the Arizona corporation commission.

Point Number 1 rebuttal:

In a public notice sent to all Company customers concerning "AN APPLICATION FOR AN ORDER AUTHORIZING THE ISSUANCE OF DEBT BY TONTO VILLAGE WATER COMPANY" in which the following text was included "Intervention in the Commission's proceedings shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter."

Being a 20 year resident of Tonto Village and a long time customer of the Company meets the test of a "person entitled by law to intervene". Having a "direct substantial interest" was satisfied by the concerns expressed in my request for intervention quoted here for convenience:

"I am gravely concerned over the service charges, the amount and quality of the water delivered, and the level of resources available to me and our community. Moreover, I am concerned that the Company's customers and I are receiving incorrect, incomplete, misleading or contradictory information regarding the company's stated desire to transfer the Company's assets to the residents of Tonto Village made at a public meeting on January 27, 2006 in Tonto Village and called by the Standage family. Since that time actions proposed by the Company are contrary to their stated intention as well as contradictory to statements made to their customers and printed on the water bills. The

residents have acted in good faith and it is imperative that intervention be granted so that all Company actions and correspondence can be seen and examined in full."

These items on their face should be sufficient to grant intervention by any citizen expressing their desire to participate in this public process. In addition my "direct and substantial interest" is strengthened by the following qualities possessed by none of the interveners:

I am a long-time communicator with the company, the Standage's and Company employees regarding water availability, depth to groundwater and well functioning.

TI am the only one of the original 2007 citizen organizing group to participate in every public meeting, consistently calling for actions by all parties that are in the best long-term interests of the residents of Tonto Village and fair to all parties while supporting transfer of the company assets into the residents control.

My wife's mother was the first real estate sales person in Tonto Village for the first Judge Standage. She was instructed to inform prospective buyers of the 300-year to 500-year water supply available to properties in Tonto Village and provided by the Standage Water Company. Original purchasers relied heavily on this presented "fact".

In the public process to date my involvement has been consistent and my opinions have been unique, well informed, professional, to the point and directed toward action. My actions demonstrate that my participation as an intervener is not "cumulative and unnecessary" as described in the Motion of Opposition but rather is very supportive of the public process regarding the Company and its obligation to provide a reliable, long-term water supply for use by the residents of Tonto Village.

Points Number 2, 3, 4 and 5 rebuttal:

In the company's Motion of Opposition they stated "There have been no communications whatsoever included in any billing statement of the company concerning the potential sale of the company". While the word sale has not been used in writing in customer correspondence, the "Company Response to recent and Future complaints" dated March 27, 2008 was mailed to all Company customers on April 5, 2008 along with the monthly water bill. The response to Concern #3, point 3 stated:

"The company, in good faith, had anticipated negotiating a sale of the Company assets to the District at a fair price. The Company also considered that the district, if it assumes the water distribution operations, may want to determine what improvements, including well and storage, and at what expense, would be most beneficial to the residents of the village. The improvements which the company implements may or may not be what the residents want at this time and the associated debt which the residents would be required to assume if purchased."

This statement certainly implies sale and further cautions residents to be careful because the actions we take, including the drilling the Commission ordered well, may not be in the resident's best interest, and further may not be a sound expenditure of the resident's money.

Further it was reported by TVWID board members at both the April 1, 2008 and May 6, 2008 meetings that residents had contacted them to ask why the board was in existence and how was their tax money being spent. These calls were prompted by telephone calls to the residents from members of the Standage family specifically stating that the water company was not for sale.

This is an example of the contradictory or misleading communication presented to residents by the company concerning the potential sale of the company.

In the summary of the Motion of Opposition, Mr. Standage states:

"Further, Mr. Garrett's interest about the intentions of the Standages to offer sale of the Company to the District, which negotiations, at this stage, are not subject to the jurisdiction of the Commission, have nevertheless been addressed herein."

Mr. Standage, by his very actions of encouraging the residents to question the Commission's judgment and Order, has involved the Commission in the affairs of Tonto Village residents as it relates to acquisition of the Company's assets. Apart from any acquisition activities, these actions also dictate an active involvement in Commission proceedings regarding the Company by interested, informed and qualified residents.

I submit that my "Motion to Intervene" is in the best interest of both the Commission and the residents of Tonto Village and request that my motion be granted.

I have notified all the parties (see attached service list) including the Company of this intervention request. Please notify me at once if there are any concerns or questions related to this request and of your date of docketing the 13 copies of this letter (see attached return envelope) and of the date of granting this request.

Respectfully,

A handwritten signature in black ink, appearing to read "Jake Garrett", written over the printed name.

Jake Garrett

Docket No. W-01580A-07-0707 ET AL.
Service List
July 28, 2008

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